Liberalisation of Provisions Relating to Managerial Remuneration

996. SHRI SURESH KALMADI:
SHRI GOVINDRAO RAMARAO ADIK:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government propose to further liberalise provisions on managerial remuneration giving complete freedom to companies to freely choose their managers and fix their salaries and perks;

(b) if so, what are the reasons therefor; and

(c) whether there will be any limit on the total emoluments of the managers?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) to (c) With a view to encourage the appointment of the best managerial talent, Government have decided, pending consideration of the Companies Bill 1993, to further amend Schedule XIII to the Companies Act, 1956. The salient features of the proposed amendment in Schedule XIII to the Act are as under:—

(i) The existing ceiling limits provided in Schedule XIII on remuneration of managerial personnel in companies with adequate net profits would be withdrawn. As a result thereof, such companies would have the freedom to determine remuneration package(s) for their managerial personnel within the limits laid down in Section 309 of the Act (viz 5% of the net profits where there is only one managerial person and 10% of the net profits where there are more than one managerial person).

(ii) The ceiling limits in Schedule XIII on managerial remuneration will continue to operate in relation to managerial personnel in loss-making companies or companies with inadequate net profits. However, the existing sub-ceilings on salary and specified perquisites would be withdrawn, giving necessary freedom to such companies to work out suitable remuneration package(s) for their managerial personnel within the total ceiling limits on remuneration prescribed in Schedule XIII.

Representation for A.P. High Court Bench

997. DR. YELAMANCHILI SIVAJI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have received representations from Lawyers of Andhra Pradesh for the establishment of a Bench of the High Court in Andhra Pradesh;

(b) if so, what are the details in this regard; and

(c) the progress made in the matter so far?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) to (c) Representations seeking establishment of Benches of Andhra Pradesh High Court at Guntur, Visakhapatnam, Vijayawada, Rayalaseema, Anantapur and Tirupati etc. have been received. No action is taken by the Central Government in such matter till a proposal is received from the concerned State Government, in consultation with the Chief Justice of the concerned High Court. No proposal has been received from the Government of Andhra Pradesh in this regard.

Additional benches of High Courts

998. DR. YELAMANCHILI SIVAJI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Minister of State for Law, Justice and Company Affairs had announced at Tirupati recently that Government will come out with a national policy on the location of additional benches of High Courts;